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Value-Based Payment and Quality Improvement Advisory Committee (VBPQI)

September 22, 2017

Full Committee Meeting #4

10:00 AM

Meeting Overview

Main Objectives

- Updates from Chair
- Review and approve meeting minutes
- Presentation from Dr. David Lakey of the University of Texas System
- Updates on quality and program improvement initiatives, including the Quality Plan and Value-Based Road Map
- Presentation from Lisa Kirsch of Dell Medical School, The University of Texas at Austin
- Presentation from Jami Snyder of Texas Health and Human Services Commission (HHSC)
- Discuss the 2018 legislative report and topics
- Hear from stakeholders



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Quality Improvement Works!

MEDICAID INNOVATION

By Heather M. Dahlen, J. Mac McCullough, Angela R. Fertig, Bryan E. Dowd, and William J. Riley

DOI: 10.1377/hlthaff.2016.0910
HEALTH AFFAIRS 36,
NO. 3 (2017): 460-467
©2017 Project HOPE—
The People-to-People Health
Foundation, Inc.

Texas Medicaid Payment Reform: Fewer Early Elective Deliveries And Increased Gestational Age And Birthweight



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Update from the Chair

Value-Based Payment and Quality Improvement Advisory Committee



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**Review and approval of meeting minutes
from: April 18, 2017**

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**Presentation: The University of Texas System
Population Health Initiative
David Lakey, MD, The University of Texas
System**

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Quality and program improvement staff update:

- a. Legislative and program initiatives**
- b. Healthcare Quality Plan and Value-Based Roadmap**
- c. Medicaid Value-Based Initiative**

Healthcare Quality: Sunset Report

The Sunset Advisory Committee staff report devoted an entire chapter to Health and Human Services (HHS) system quality programs, identifying three challenges:

1. Need for better coordination and organization across major quality initiatives (HHS System Transformation)
2. Need to establish a cohesive vision for improving quality and value (HHS Healthcare Quality Plan)
3. Need to promote value-based incentives for providers working through Medicaid Managed Care Organizations (Value-Based Payment Roadmap)



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Healthcare Quality Plan

Required by Sunset Law to meet the following purposes:

1. Include broad goals for improving healthcare value in Texas, prioritizing Medicaid and the Children's Health Insurance Program (CHIP)
2. Lead to consistent approaches across major quality initiatives
3. Facilitate the evaluation of quality initiatives' statewide impact



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Value in Healthcare: Environmental Scan

- Over the past three decades healthcare costs have spiraled and more responsibility to pay for healthcare has shifted to the public sector
- Rising prevalence of chronic disease and medically complex patients poses a mounting challenge to the healthcare system
- According to leading experts, nearly a third of healthcare spending in the U.S. is wasted
- States are best positioned to lead reform efforts to transform healthcare into a value-based system

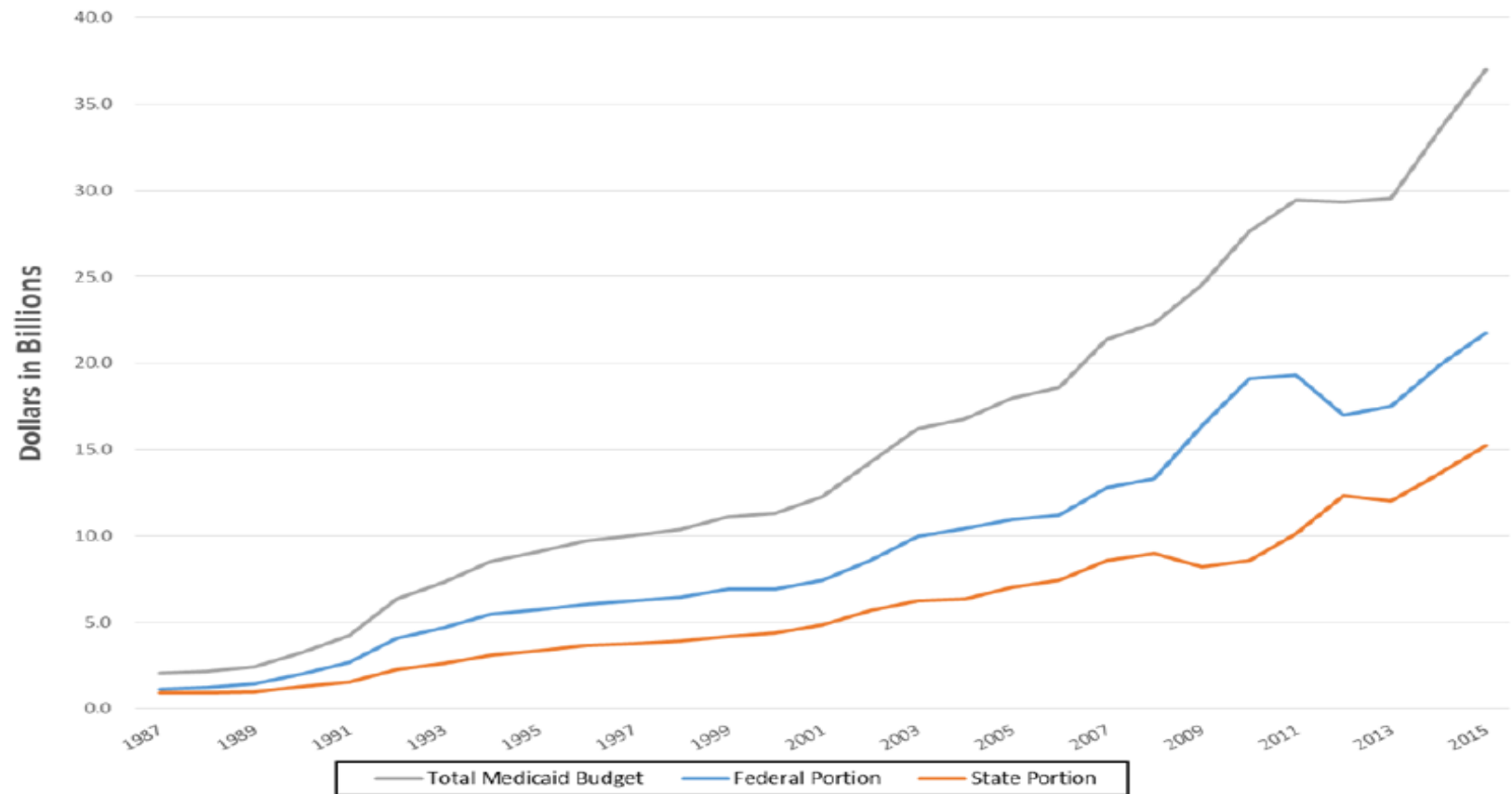


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Annual Expenditures: Texas Medicaid



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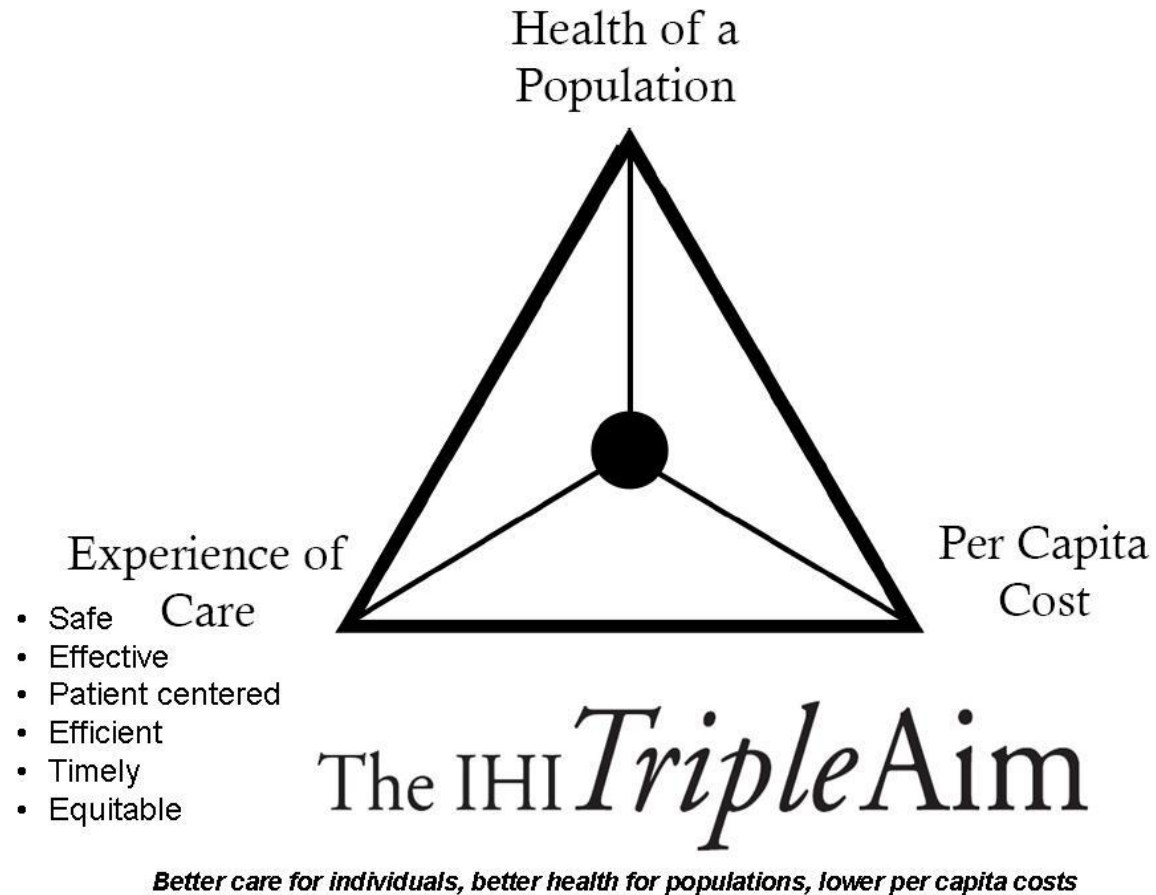


[Texas Medicaid and CHIP in Perspective, HHSC, February 2017](#)

The Triple Aim



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Note: Don Berwick, Tom Nolan, and John Whittington are credited with first describing the Triple Aim in 2008 for the Institute of Healthcare Improvement (IHI)

The Triple Aim as a Value-Based Concept

Aims

- Improve the experience of care (Better Care and Services)
- Improve the health of populations (Healthier People and Communities)
- Reduce/control per capita costs (Smarter Spending)

Value oriented: Pursue simultaneous improvement on all three aims

~~Lower cost, lower quality~~

~~Better quality, higher cost~~

Lower cost, same quality

Better quality, same cost

Better quality, lower cost!!



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HHS System Value-Based Initiatives

Texas is a national leader for promoting value in healthcare:

- Medicaid has almost entirely transitioned from a mostly unaccountable fee-for-service model to a managed care model that holds managed care organizations (MCOs) and dental maintenance organizations (DMOs) accountable for results
- Federal law requires routine, independent review of MCO and DMO performance by an external quality review organization (EQRO)



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HHS System Value-Based Initiatives

Texas is a national leader for promoting value in healthcare:

- Chapter 536, Texas Health and Safety Code, provides a comprehensive framework for promoting quality in public healthcare programs, including direction to align payments with value
- Texas Medicaid and CHIP have implemented several major initiatives within this framework to improve quality and efficiency



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Healthcare Quality Plan

Establishes six priorities:

- 1. Keeping Texans healthy** → Through prevention and by engaging individuals, families, communities, and the healthcare system to address root causes of poor health
- 2. Providing the right care in the right place** → To ensure that people receive timely services in the least intensive or restrictive setting
- 3. Keeping patients free from harm** → By building a safer healthcare system that limits human error



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Healthcare Quality Plan

Establishes six priorities (cont.):

- 4. Promoting effective practices for chronic disease** → To better manage this leading driver of healthcare costs
- 5. Supporting patients and families facing serious illness** → To meet physical, emotional, and other needs
- 6. Attracting high performing professionals** → For team based, collaborative, and coordinated care



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Healthcare Quality Plan

Highlights seven quality improvement tools:

1. Contracting for Value
2. Aligning Payments with Value
3. Empowering Individuals
4. Simplifying Administrative Processes
5. Leveraging Business Intelligence
6. Increasing Health Information Technology and Exchange
7. Expanding Public Reporting



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Healthcare Quality Plan

Calls for a dashboard to measure progress:

- Metrics will be small in number; high impact; indicative of value, not just quality or cost; and broadly focused
- Metrics reported statewide and by regional healthcare partnership regions and managed care service areas
- Dashboard updated regularly to inform Quality Plan revisions and program level operational planning
- Where appropriate, metrics stratified by key population groups



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Healthcare Quality Plan

Potential dashboard population stratifications include:

- Newborns and children
- Pregnant women and mothers
- Individuals with mental health and or substance use disorders
- Individuals with complex health care needs (e.g., multiple chronic conditions or co-occurring conditions)
- Individuals age 65 and over
- Individuals eligible for long term services and supports



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Healthcare Quality Plan

The Quality Plan is a tool to engage stakeholders on ideas to improve value in state healthcare programs:

- Value-Based Payment and Quality Improvement Advisory Committee (Quality Committee)
 1. Mission: promote broad-based partnerships and collaborations for better health care, smarter spending, and healthier communities
 2. Help to develop metrics and review performance
 3. Identify areas of opportunity for quality improvement and value-based payment (VBP)



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Value-Based Purchasing Roadmap

Value-Based Purchasing Roadmap-Guiding Principles:

- Continuous Engagement of Stakeholders
- Harmonize Efforts
- Administrative Simplification
- Data Driven Decision-Making
- Movement through the VBP Continuum
- Reward Success



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Core Value-Based Purchasing (VBP) Programs

- Managed Care Organization Pay for Quality
- Dental Maintenance Organization Pay for Quality
- Hospital Pay for Quality
- MCO payment reform (VBP) effort with providers
- Delivery System Reform Incentive Payment (DSRIP) Program
- Quality Incentive Payment Program (QIPP)



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Key Considerations

- Data integrity and analytical capacity is critical
- Maintaining open communications and transparency in processes/methods is critical
- Continuous engagement of stakeholders
- Use of effective measures to advance quality and efficiency
- Keep it simple and effective. Must also be clearly understood
- Balance of properly scaled incentives and disincentives
- Need for a coordinated approach, harmonize where possible
- Collaborative relationships between Health Care Systems and MCOs, and MCOs and providers are crucial



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MCO VBP/APM with Providers: The “Why” and Efforts thus Far

- First, a **BIG THANK YOU** to MCOs and providers.
- VBP is seen as a way to accelerate quality and efficiency gains –BUT it must be stated that we do see gains in various metrics of health quality /efficiency!!
- If done thoughtfully, VBP may be a tool to more effectively align incentives toward value in healthcare and as a means to improve efficiencies

Past and Future Efforts:

- 2012 initial survey to MCO on VBP
- 2013-2016: MCO contract language on VBP and informational deliverables
- Ongoing one-on-one dialogue with MCOs on their VBP efforts and barrier identification



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MCO VBP/APM with Providers: The “Why” and Efforts thus Far

Fiscal Year 2018 MCO contracts:

- Establishment of VBP Targets (ratios of \$ paid in VBP relative to overall medical expense), increasing over four years (overall and risk based)
- Data collection by HHSC
- Data/report sharing by MCOs with providers
- Dedication of MCO resources to support VBP
- Annual deliverables will be basis for calculating VBP ratios
- Ongoing one-on-one dialogue with MCOs AND Providers on their VBP efforts and barrier identification







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A Common Framework for Different Initiatives

			
CATEGORY 1 FEE FOR SERVICE – NO LINK TO QUALITY & VALUE	CATEGORY 2 FEE FOR SERVICE – LINK TO QUALITY & VALUE	CATEGORY 3 APMS BUILT ON FEE -FOR-SERVICE ARCHITECTURE	CATEGORY 4 POPULATION – BASED PAYMENT
	A Foundational Payments for Infrastructure & Operations (e.g., care coordination fees and payments for HIT investments)	A APMs with Shared Savings (e.g., shared savings with upside risk only)	A Condition-Specific Population-Based Payment (e.g., per member per month payments payments for specialty services, such as oncology or mental health)
	B Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)	B APMs with Shared Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	B Comprehensive Population-Based Payment (e.g., global budgets or full/percent of premium payments)
	C Pay-for-Performance (e.g., bonuses for quality performance)		C Integrated Finance & Delivery System (e.g., global budgets or full/percent of premium payments in integrated systems)
		3N Risk Based Payments NOT Linked to Quality	4N Capitated Payments NOT Linked to Quality

Source: HCP-LAN.org, APM Framework

MCO Value-Based Provider Contracts-What HHSC Sees Thus Far

- Most VBP models based on fee for service fee schedule with add on payments for achievement of metric(s)



HEDIS Measures



Potentially Preventable Events



After Hours Availability

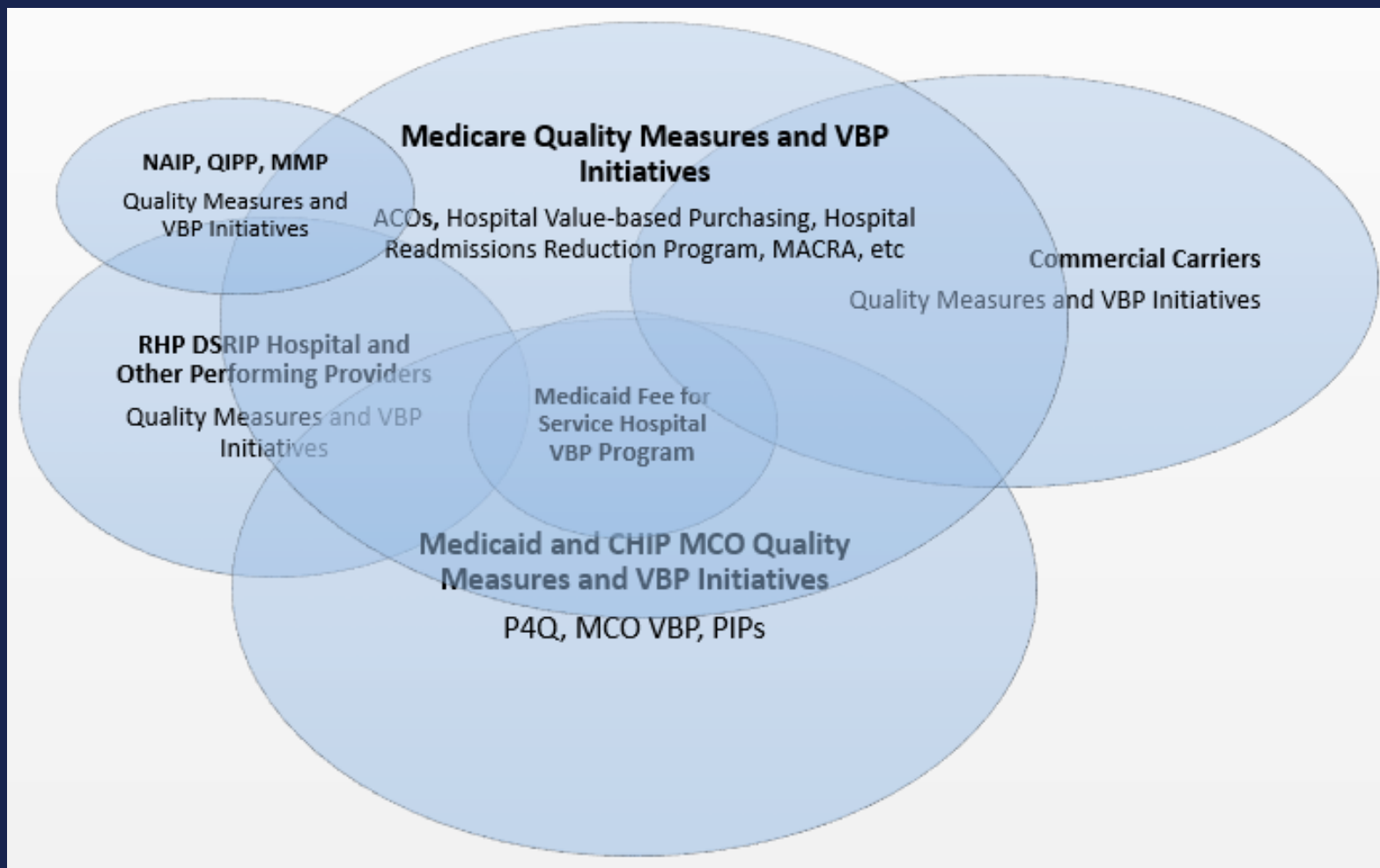
- Mostly primary care, some specialist or other facility based providers
- Most have “upside” only
- Although, there are some partial capitation for primary care / group practices and bundled payment models
- MCOs are meeting providers “where they are at”



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VBP/APM Keys to Success

Alignment of Clinical and Financial Models



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VBP/APM Keys to Success

Challenges to Address:

- Clients/consumers must always come first
- Accountability at all levels (patient to payer)
- Align financial and clinical models between multiple payers, provider types, and populations
- Increase level of VBP readiness and willingness across MCOs and providers
- Build in administrative simplification and maintain it
- Patient attribution – identifying which providers have primary responsibility for a patient's health



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VBP/APM Keys to Success

Challenges to Address (cont.):

- Address challenges of rural providers and small practices
- Progress through the APM continuum
- Timely, comprehensive data and enhanced analytics
- Examine MCO rate setting for opportunities to support and sustain VBP/APM
- Examine historic roles of HHSC and MCOs
- This is a complex and long term endeavor that is evolving in a dynamic state, federal, commercial environment



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Medicaid Value-Based Payment Initiative

Advancement of Value-Based Healthcare:

- **Background:** One of eight critical projects included in the Medicaid & CHIP Services Department's Operational Plan for the Executive Commissioner
- **Purpose:** Align and support efforts to link a greater percentage of healthcare payments to key metrics that reflect improved healthcare value
- **Goals:** 1) Increase value-based payments by managed care organizations to providers; 2) Identify areas of opportunity for VBP and quality improvement; 3) improve outcomes for beneficiaries; and 4) slow or reduce the rate of cost growth



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Medicaid Value-Based Payment Initiative

The project focuses on five interconnected activities:

- 1. MCO Pay for Quality (P4Q):** Creates incentives and disincentives for MCOs based on their performance on certain quality measures
- 2. MCO Payment Reform-Targets:** Within the MCO contract, HHSC has established minimum alternative payment model targets and required MCOs to achieve certain alternative payment model percentage targets by FY 2021
- 3. Hospital P4Q:** Reimbursement focused on reducing avoidable readmissions and inpatient stay complications



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Medicaid Value-Based Payment Initiative

The project focuses on five interconnected activities (cont.):

- 4. Migration of DSRIP projects and/or innovations into MCO alternative payment models:**
Restructuring DSRIP protocols toward population-based measure bundles
- 5. Evidence Development:** Collaboration with stakeholders to develop evidence and consensus recommendations to address barriers and advance value-based healthcare through Medicaid and CHIP managed care



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Medicaid Value-Based Payment Initiative

Major milestones involving the Quality Committee:

- **January 2018:** Identify measures for Healthcare Quality Plan
- **February 2018:** Collaborate with partners (including Dell Medical School and Episcopal Health Foundation) to assess opportunities and barriers regarding VBP
- **March 2018:** Receive draft report from Dell Medical School and Episcopal Health Foundation on VBP opportunities and barriers
- **May 2018:** Update VBP Roadmap to incorporate input, evidence, and findings from draft report
- **July 2018:** Populate Quality Plan Dashboard
- **August 2018:** Complete first legislative report on value based care and quality improvement through the Quality Committee



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**Presentation: Dell Medical School/Episcopal
Health Foundation Project to Advance Value
Based Care in Texas Medicaid
Lisa Kirsch, Dell Medical School, The
University of Texas at Austin**

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**Medicaid Leadership Institute Value-Based
Project**

**Jami Snyder, Associate Commissioner,
Medicaid & CHIP Services, HHSC**

Medicaid Leadership Institute

Overview:

- Sponsored by the Center for Health Care Strategies and funded by the Robert Wood Johnson Foundation
- Opportunity for Medicaid directors from states across the political spectrum to develop the skills and expertise necessary to improve their Medicaid programs
- Six Medicaid Directors selected for 2018:
 - TX, FL, IN, MN, TN, WV
- 10-month program
- Fellows participate in in-person training sessions, site visits, and individualized coaching as well as networking opportunities with peers, thought leaders, and policymakers



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For more information: www.chcs.org/project/medicaid-leadership-institute

Medicaid Leadership Institute Value-Based Project

Background and Purpose:

- Texas Medicaid and its MCO partners have accelerated efforts to transition to value-based care to improve health outcomes for beneficiaries
- **Scope:** develop a comprehensive set of tools to educate and support stakeholders impacted by Texas Medicaid's emerging value-based focus
- **Method:** leverage expertise at the Dell Medical School and other partners, including the Value-Based Payment and Quality Improvement Advisory Committee
- Ultimate goal is to lay a strong foundation for the Medicaid program's value-based work going forward



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Medicaid Leadership Institute Value-Based Project

Tools should support stakeholders at every juncture of the delivery system:

- **Medicaid program staff** need the knowledge and skills to measure and understand health plan performance in advancing value driven care
- **State policy makers** should be informed on areas of opportunity for increasing quality and controlling cost in Medicaid through value based initiatives
- **MCOs** will benefit from tools to help assess providers' readiness, i.e., their interest and aptitude for entering into value-based arrangements



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Medicaid Leadership Institute Value-Based Project

Tools should support stakeholders at every juncture of the delivery system (cont.):

- Concrete examples of value-based reimbursement will give **Medicaid providers** insight into opportunities afforded by partnering with MCOs to enhance quality and reduce cost
- **Stakeholders** deserve transparency on Texas Medicaid's overarching transformation objective, to improve health outcomes for all members served by the program
- As a start, a comprehensive toolkit could be complimented by a state-endorsed clinical episode payment, possibly for maternity care, that incorporates a screening and referral process to address social factors that may impact the health of pregnant women



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VBPQI Update

Legislative Report Workgroup Update

- The goal of the workgroup is to identify possible topics and goals for the full committee to consider for its legislative report
- The workgroup has had conference calls to discuss strategic planning, topics, goals and process for the report, and the Dell Medical School/Episcopal Health Foundation Project



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2018 Topic Selection

Topics should align with the rule establishing the quality committee:

- Value-based payment and quality improvement initiatives for better care, better outcomes, and lower costs in publicly funded healthcare services
- Core metrics and a data analytics framework to support value-based purchasing and quality improvement in Medicaid/CHIP
- HHSC and MCO incentive and disincentive programs based on value
- The strategic direction for Medicaid/CHIP value-based programs



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Vision and Mission Statement

The vision of the Value-Based Payment and Quality Improvement Advisory Committee is for Texans to achieve optimal value in health and well-being.

The mission of the Value-Based Payment and Quality Improvement Advisory Committee is to promote broad-based partnerships and collaborations for better health care, smarter spending, and healthier communities.



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Guidelines for Recommendations

Elements of a good recommendation:

1. Avoid the obvious
2. Recommend actions that can be evaluated
3. Recommend options to accomplish the goal(s) of the recommendation
4. Express recommendations in an active voice (actor, action, time frame)
5. Clearly identify recommended actions as recommendations
6. Make recommendations as succinct as possible
7. Remember that less is more

Consensus!



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VBPQI Legislative Report



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2017 Milestones Legislative Report Timeline



VBPQI Legislative Report



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2018 Milestones Legislative Report Timeline

Jan	Feb	Mar	May	Jun	July	Aug	Sep - Nov	Dec
Jan 22nd – Jan 26th: WG calls to discuss further research and prepare for Feb. meeting	Feb: Committee Meeting (TBD) Review information from UT-Dell Medical School VBP project. Provide initial guidance for recommendations. Finalize input on Quality Plan Dashboard.	Mar 1st – May 31st: Draft legislative report Mar 1st – Mar 31st: WG calls to review report language Apr 30th: First draft complete	May 11th– Jul 1st: Staff works with the Chair to finalize report May: Committee Meeting (TBD) Approve report in principle, including any policy recommendations	Jun 1st– Jun 15th: Solicit Stakeholder comment letters Jun 15th: Comment letters from Stakeholders due	July 1st: Final version of the report will be complete and routed through HHSC	Aug 1st: Final report to Legislature Aug: Committee Meeting (TBD)	Sep-Nov: Report Follow-up	Dec 1st: Final report due to Legislature

Legislative Report Discussion

Priority Examples:

- Priority area 1. **Data sharing initiatives** with plans, providers and consumers to support care coordination.
- Priority area 2. **Value-based maternity/newborn care**, including consideration of an HHSC-supported episode of care with provider incentives based on quality and cost.
- Priority area 3. **Patient centered medical homes/health homes** (including integrated behavioral health/physical health and screening for social determinants).



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Legislative Report Discussion

Priority Examples:

- Priority area 4. Opioid overuse and management.
- Priority area 5. Foundational steps to VB care for small and rural providers (such as tools to support chronic care management).
- Priority area 6. Feasible steps to support investments in integrating medical and social services to address social determinants of health care utilization and outcomes for high-risk individuals.
- Additional possible priority areas?



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Legislative Report Discussion

Priority Discussion Questions:

1. Do you have recommendations for how HHSC could advance value-based care in this area?
2. Do you know of best or promising practices in Texas (including DSRIP, other Medicaid, or other payer)?
3. Do you know of best or promising practices in other states (Medicaid or other payer)?
4. What do you think are key types of information for HHSC to include in a toolkit for providers, health plans, policymakers, staff and other community partners to advance VB care?



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Legislative Report Discussion

Priority Discussion Questions (cont.):

5. Please share any existing resources/websites that could help build the toolkit.
6. Would you recommend any speakers for this topic (from Texas or out of state)? If so, please give a brief explanation of why the person would be a strong speaker for this symposium.



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Staff Action Items

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Public Comment

Onsite participants, please come to the podium and provide your name and organization for the record.

Comments may also be submitted in writing to staff to be read aloud or for inclusion in the meeting record.



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Thank you

For more information contact:

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**Visit the VBPQI Advisory Committee
webpage to learn more:**

<https://hhs.texas.gov/about-hhs/leadership/advisory-committees/value-based-payment-quality-improvement-advisory-committee>